

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4420-01  
Bill No.: Perfected HB 1781  
Subject: Health Care; Health Care Professionals; Nursing and Boarding Homes  
Type: Original  
Date: March 14, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Nursing Facility Reimbursement Allowance Fund*	\$0	\$0	\$0
Nursing Facility Quality of Care Fund**	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Revenues and expenditures of approximately \$121,000,000 annually net to \$0.

\*\*Revenues and expenditures of approximately \$9,500,000 annually net to \$0.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
Federal*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Revenues and expenditures of approximately \$192,000,000 annually net to \$0.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Health and Senior Services** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services - Division of Medical Services (DMS)** state that the proposed legislation would extend the sunset of the Nursing Facility Federal Reimbursement Allowance program to September 30, 2005. DMS states it is set to expire on September 30, 2002. DMS states if the extension of the Nursing Facility Federal Reimbursement Allowance does not pass, additional funding would be needed to maintain the current level of services.

Officials from the **Department of Mental Health (DMH)** state that all nursing facilities, except state-owned and operated facilities, are required to pay an additional fee for the privilege to provide nursing facility services in the state of Missouri. Therefore, the fiscal impact to the DMH would be zero.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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### **NURSING FACILITY REIMBURSEMENT ALLOWANCE FUND**

<u>Income - Department of Social Services</u>			
Assessment on Nursing Facilities	\$91,151,207	\$121,534,943	\$121,534,943
<u>Costs - Department of Social Services</u>			
Medicaid Program Costs	<u>(\$91,151,207)</u>	<u>(\$121,534,943)</u>	<u>(\$121,534,943)</u>

### **ESTIMATED NET EFFECT ON NURSING FACILITY REIMBURSEMENT ALLOWANCE FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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**NURSING FACILITY QUALITY OF CARE FUND**

Transfer in - Department of Social

<u>Services</u>	Unknown up to	Unknown up to	Unknown up to
Up to 5% from Federal Fund	\$7,197,818	\$9,597,091	\$9,597,091

Expenditures - Department of Social

<u>Services</u>	(Unknown up to	(Unknown up to	(Unknown up to
Program Expenditures	\$7,197,818)	\$9,597,091)	\$9,597,091)

**ESTIMATED NET EFFECT ON NURSING FACILITY QUALITY OF CARE FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**FEDERAL**

Income - Department of Social Services

Assessment on Nursing Facilities	\$143,956,369	\$191,941,825	\$191,941,825
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Costs - Department of Social Services

Medicaid program expenditures	(Unknown up to \$143,956,369)	(Unknown up to \$191,941,825)	(Unknown up to \$191,941,825)
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Transfer out - Department of Social

<u>Services</u>	(Unknown up to	(Unknown up to	(Unknown up to
To Nursing Facility Quality of Care Fund	\$7,197,818)	\$9,597,091)	\$9,597,091)

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Local Government

FY 2003 (10 Mo.)	FY 2004	FY 2005
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.


DESCRIPTION

This proposal extends the expiration date of the nursing facility reimbursement allowance to September 30, 2005. Currently, the nursing facility reimbursement allowance expires on September 30, 2002.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Social Services  
Department of Mental Health



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Acting Director  
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